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**PRESIDENT'S ADDRESS,
AMERICAN FARM ECONOMIC ASSOCIATION,
CHICAGO, ILLINOIS, NOVEMBER 11, 1919.¹**

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ATHENS, GEORGIA.

When we survey world conditions, changes and readjustments are the order of the day. Agriculture, as well as other lines of endeavor, will be subject to many changes. It is not my purpose to offer solutions for such problems as these changes bring but rather to present them for consideration.

The readjustments that will have to be made in this country on account of the war are not very great compared with the countries where reconstruction rather than readjustment is necessary.

The readjustment brought about by increased land values and labor conditions will probably be most pronounced, while the uncertainty of future markets with the probable downward trend of prices sooner or later will tend to check the progress that would otherwise be made. A readjustment from the high prices to the lower levels that must of necessity prevail in the future will be difficult to meet.

Theodore Price in the August *World's Work* makes the following statements:

Inflation may in fact be regarded as a financial anæsthesia by which men are made for a time insensible of the organic distress that the waste of war might otherwise involve. But as in the case of the anæsthesia, emergence from the anæsthesia that inflation induces is almost certain to be followed by weakness, prostration and nausea.

The resemblance between the anæsthesia of inflation and that produced by chloroform, ether, or laughing gas, is indeed remarkable.

Those of us who have had the misfortune to have been compelled to submit to an anæsthesia will probably never forget the after effects. If Mr. Price's comparison is correct, we have some difficult and not very pleasant times ahead.

One of the big problems then ahead of us is to get back to normal with the least amount of waste and lost motion. This is indeed diffi-

¹ This address was given at the tenth annual meeting of the American Farm Economic Association.

cult and will require the coöperation of all concerned, and an especial duty will fall on the men who are working along the lines of farm management and farm economics.

It is hard to foresee what levels land values in this country will reach in the immediate future. That the general level of land prices will eventually go higher is hardly to be gainsaid. A comparatively few years ago I was told that the people in a certain section in southern Illinois were having grave discussions as to whether they could ever pay interest on land values that ranged from \$25.00 to \$35.00 per acre. To-day they are discussing whether they can continue to pay interest on ten times or more those amounts. Will the same length of time in the future find them discussing whether they can pay interest on a like increase? Whatever comes the increase in land prices by speculation should be discouraged. If American agriculture is to develop normally and to the full extent there must be some other basis for land values besides the interest that can be paid during a period of high prices by mining and selling the fertility of the soil.

One of the disturbing things that seems to be ahead of us in American agriculture is whether it will be possible for a man to buy a farm and pay for it from the profits of the business. In certain sections of the country some people have stated that this point has already been reached. If it has not, apparently we are reaching that period with a good deal of speed.

How then is the man who wants to farm to become a land owner in the future? Will the money have to be accumulated in other lines of business or will the government or some other agency have to come to his aid? Or will the present owners sell out at the present high prices and money that has been made in other lines be invested in the lands largely for the sake of land ownership rather than with the idea of making any reasonable returns on the investment? If so, what will be the effect on the farming population?

Then, too, we have the effect of increased price of the land on the size of the farm. Will it make for larger or smaller farms? If capital accumulated in other lines of business is put into farm lands, the farms are likely to be large. If conditions are such that the business will continue to pay for the land, the farms are apt to be small.

Land in the past has been one of the most plentiful and consequently cheapest assets we had, and as usual we have wasted that which has been plentiful and cheap, but if American agriculture is to show continued prosperity, care will have to be given to farming as a business with some continuity and not as a year-to-year proposition.

One of the difficulties that will be encountered in the immediate future will come from the maintaining of the fertility of the farm. During the past few years under the pressure of patriotism and high prices or possibly in some instances of high prices and patriotism a good deal of the fertility of the farm has been marketed.

On a farm in my own state that we have been keeping a record of for several years a good system had been practiced in maintaining the fertility and consequently the yields. The system has been changed gradually by increasing the cash crop and reducing the soil-building crop to the detriment of the labor income despite high prices.

Whether or not cashing the farm during periods of high prices with the idea of rebuilding later is a good system, it is evidently being practiced. Data for longer periods are desirable to show the results of a system where the fertility is maintained against one when everything possible is cashed during periods of high prices.

The question of what labor system, the wage, share cropper or tenant, can be maintained in the future is one occupying the thought of many farm owners. Unquestionably, more equipment will be one of the factors of the future. During the period of war the percentage of wage labor has undoubtedly been reduced and that of share cropper or tenant has been increased. In fact, it has been my observation that the farm laborer has reaped a great deal of the reward of the high prices rather than the land owner. If the wage labor is to be the system, is the California method of helping the laborer to secure his own home the proper one to follow to develop a contented body of farm laborers and the best possible citizenship in this class of workers?

The tenant system in this country has had a marked effect on exhausting the producing power of the land. If this system is to supply the labor of the future, on what basis is it to be operated to protect the land? Is the compensating basis of some of the foreign countries the basis to adopt for this country? If so, we will have to ask for a great deal of information regarding our soils. In my own state we have found up to this time, and we are not through yet, about one hundred soil types. To establish a compensating basis for as varied a condition as this would certainly call for a more extended knowledge of residual effect than we have at the present time.

Then, too, if tenancy prevails, we will have the question of absentee landlordism to contend with. Not only will we have the effect on the material prosperity of the country but also the effect on the citizenship.

Whatever the system of labor employed, there is a decided need for greater efficiency than is evident at the present. The world now

needs farm products. It needs all that land and labor can give. How to change the present unrest into productive work is not only a national problem but a world wide one. Can we do this before the unrest assumes the proportions it has obtained in other lands?

Closely connected with the labor problems is that of the equipment of the farm. What will be the effect of the development in mechanical construction on farm equipment, how much of the progress that has been made during the war period, such as the development of the internal combustion engines, can be applied to farm conditions, how much of the new methods in mechanical construction will be turned into channels that will have influence on farm development?

One thing should be stressed by all those who have to do with the cost of operating a farm, and that is the construction of farm implements should be such in workmanship and material that the most economical service possible can be secured.

There has been a considerable increase in the wealth of this country in the past few years. To what extent can this be utilized to increase the working capital of the farmer? If it can be made available to the farmer on reasonable conditions, is it a good time to increase the working capital when the purchasing power of a dollar is so small?

What will be the influence of the competition that we have to meet on the cropping systems of the past? There will be changes to meet the changed land values and labor conditions as well as to meet the competition and demands from other countries. A great many changes in crops and cropping systems have taken place in various parts of the country. Which of these can be made permanent? Some of them will go with lower values, others will stay. Cost, profit and possibilities of these new crops and systems should be studied closely so as to limit the period of uncertainty of their use as much as possible.

With the present high cost of production and the prospect at least in the not distant future of a declining market, the outlook is not very encouraging. This is the time for economy in production that every expenditure and effort may be made to count.

What have we learned of conservation from our past experience? Will there be as much waste in our agricultural production in the future as there was said to have been in the past? That there is some lost motion and non-productive expenditure of energy on the farm no one will deny. The elimination of waste is always a proper study in any business, and much study can be given to it in the business of farming. Will not this time of readjustment be an opportune time to press these studies?

Following other periods of readjustments in this country farm products have gone below reasonable cost of production for some years. This is not good, either for the individual, the state or the nation. Can a like condition at this time be restricted to a short period or avoided altogether?

Because of the length of time it requires to make changes on the farm, the farmer will need all the assistance he can get to be able to keep his affairs in shape during the period of readjustment. By assistance I mean the farmer should be put in possession of the knowledge he may need to solve such problems as he may have to meet. I have a great deal of respect for the judgment of the men who till the land, and believe they can best solve their own problems.

The prices for products other than the farm have been stabilized, and the manufacturer knows substantially what he will obtain for his product. Will we not have to come to something of this kind for farm products, or at least should not the farmer know within a certain range what he can expect for his products? This is a large question when we consider the seasonal variation as well as the acreage variation that takes place from time to time. Will a good system of warehousing and selling over a long period help to solve this problem, and can it be worked out on a scale that will be adequate for the needs in this country, or will lowering the cost of marketing in other ways be the solution? This latter may mean many changes and will involve readjusting many phases of business other than farming.

The solving of the present problems is a matter of coöperation, each one in his place doing his part that the work as a whole may be fruitful. To make the coöperation effective, it will be necessary for each one concerned to try to see the viewpoint of the man in other lines than his own and assume a sympathetic and charitable attitude for the opinion and work of others.

This country was called on and responded wonderfully to meet the emergencies of the immediate past. The patriotism of the people of this country who are interested in agriculture was shown by their response. We are now called on to meet even graver problems without the stimulus of war. A higher order of patriotism is needed to meet the problems of to-day than that which was needed for the problems of yesterday. The problem of to-day calls for construction work. It is in construction work that America excels. We can confidently expect that those who will be responsible for the solution of these problems will "carry on" and the agricultural interest of their country will be on a better and firmer foundation for the past and present experiences.